



BILLING CODE: 3510-DS-P

**DEPARTMENT OF COMMERCE**  
**International Trade Administration**  
**[C-351-855]**

**Common Alloy Aluminum Sheet from Brazil: Preliminary Affirmative Countervailing Duty Determination and Alignment of Final Determination with Final Antidumping Duty Determination**

**AGENCY:** Enforcement and Compliance, International Trade Administration, Department of Commerce.

**SUMMARY:** The Department of Commerce (Commerce) preliminarily determines that countervailable subsidies are being provided to producers and exporters of common alloy aluminum sheet (aluminum sheet) from Brazil for the period of investigation January 1, 2019 through December 31, 2019. Interested parties are invited to comment on this preliminary determination.

**DATES:** Applicable [INSERT DATE OF PUBLICATION IN THE *FEDERAL REGISTER*].

**FOR FURTHER INFORMATION CONTACT:** Jonathan Hall-Eastman, Samuel Brummitt, or Benjamin Smith, AD/CVD Operations, Office III, Enforcement and Compliance, International Trade Administration, U.S. Department of Commerce, 1401 Constitution Avenue, NW, Washington, DC 20230; telephone: (202) 482-1468; (202) 482-7851; or (202) 482-2181 respectively.

**SUPPLEMENTARY INFORMATION:**

Background

This preliminary determination is made in accordance with section 703(b) of the Tariff Act of 1930, as amended (the Act). Commerce published the notice of initiation of this investigation on April 7, 2020.<sup>1</sup> On May 19, 2020, Commerce postponed the preliminary

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<sup>1</sup> See *Common Alloy Aluminum Sheet from Bahrain, Brazil, India, and the Republic of Turkey: Initiation of Countervailing Duty Investigations*, 85 FR 19449 (April 7, 2020) (*Initiation Notice*).

determination of this investigation and the revised deadline is now August 7, 2020.<sup>2</sup> For a complete description of the events that followed the initiation of this investigation, *see* the Preliminary Decision Memorandum.<sup>3</sup> A list of topics discussed in the Preliminary Decision Memorandum is included as Appendix II to this notice. The Preliminary Decision Memorandum is a public document and is on file electronically via Enforcement and Compliance's Antidumping and Countervailing Duty Centralized Electronic Service System (ACCESS). ACCESS is available to registered users at <http://access.trade.gov>. In addition, a complete version of the Preliminary Decision Memorandum can be accessed directly at <http://enforcement.trade.gov/frn/>. The signed and electronic versions of the Preliminary Decision Memorandum are identical in content.

#### Scope of the Investigation

The product covered by this investigation is aluminum sheet from Brazil. For a complete description of the scope of this investigation, *see* Appendix I.

#### Scope Comments

In accordance with the *Preamble* to Commerce's regulations,<sup>4</sup> we set aside a period of time, as stated in the *Initiation Notice*, for parties to raise issues regarding product coverage (*i.e.*, scope).<sup>5</sup> We received several comments concerning the scope of the antidumping duty (AD) and countervailing duty (CVD) investigations of aluminum sheet as it appeared in the *Initiation Notice*. We are currently evaluating the scope comments filed by the interested parties. We

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<sup>2</sup> *See Common Alloy Aluminum Sheet from Bahrain, Brazil, India, and the Republic of Turkey: Postponement of Preliminary Determinations in the Countervailing Duty Investigations*, 85 FR 29930 (May 19, 2020).

<sup>3</sup> *See* Memorandum, "Decision Memorandum for the Preliminary Affirmative Determination in the Countervailing Duty Investigation of Common Alloy Aluminum Sheet from Brazil," dated concurrently with, and hereby adopted by, this notice (Preliminary Decision Memorandum).

<sup>4</sup> *See Antidumping Duties; Countervailing Duties, Final Rule*, 62 FR 27296, 27323 (May 19, 1997) (*Preamble*).

<sup>5</sup> *See Initiation Notice*, 85 FR at 19450.

intend to issue our preliminary decision regarding the scope of the AD and CVD investigations in the preliminary determinations of the companion AD investigations, the deadline for which is October 6, 2020.<sup>6</sup> We will incorporate the scope decisions from the AD investigations into the scope of the final CVD determination for this investigation after considering any relevant comments submitted in scope case and rebuttal briefs.<sup>7</sup>

### Methodology

Commerce is conducting this investigation in accordance with section 701 of the Act. For each of the subsidy programs found countervailable, Commerce preliminarily determines that there is a subsidy, *i.e.*, a financial contribution by an “authority” that gives rise to a benefit to the recipient, and that the subsidy is specific.<sup>8</sup> In making these findings, Commerce relied, in part, on facts available. For further information, *see* “Use of Facts Otherwise Available and Adverse Inferences” in the Preliminary Decision Memorandum.

### Alignment

As noted in the Preliminary Decision Memorandum, in accordance with section 705(a)(1) of the Act and 19 CFR 351.210(b)(4), Commerce is aligning the final CVD determination in this investigation with the final determination in the companion AD investigation of common alloy aluminum sheet from Brazil based on a request made by the Aluminum Association Common Alloy Aluminum Sheet Trade Enforcement Working Group and its Individual Members, Aleris Rolled Products, Inc., Arconic, Inc., Constellium Rolled Products Ravenswood, LLC, JW

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<sup>6</sup> *See Common Alloy Aluminum Sheet from Bahrain, Brazil, Croatia, Egypt, Germany, Greece, India, Indonesia, Italy, Republic of Korea, Oman, Romania, Serbia, Slovenia, South Africa, Spain, Taiwan, and the Republic of Turkey: Postponement of Preliminary Determinations in the Less-Than-Fair-Value Investigations*, 85 FR 45576, 45577 (July 29, 2020).

<sup>7</sup> The deadline for interested parties to submit scope case and rebuttal briefs will be established in the preliminary scope decision memorandum.

<sup>8</sup> *See* sections 771(5)(B) and (D) of the Act regarding financial contribution; section 771(5)(E) of the Act regarding benefit; and section 771(5A) of the Act regarding specificity.

Aluminum Company, Novelis Corporation, and Texarkana Aluminum, Inc. (collectively, the petitioners).<sup>9</sup> Consequently, the final CVD determination will be issued on the same date as the final AD determination, which is currently scheduled for no later than December 21, 2020, unless postponed.

#### All-Others Rate

Sections 703(d) and 705(c)(5)(A) of the Act provide that in the preliminary determination, Commerce shall determine an estimated all-others rate for companies not individually examined. This rate shall be an amount equal to the weighted average of the estimated subsidy rates established for those companies individually examined, excluding any zero and *de minimis* rates and any rates based entirely under section 776 of the Act.

In this investigation, Commerce preliminarily found a *de minimis* rate for Novelis do Brasil Ltda. (Novelis). Therefore, the only rate that is not zero, *de minimis* or based entirely on facts otherwise available is the rate calculated for Companhia Brasileira de Alumínio (CBA). Consequently, the rate calculated for CBA is also assigned as the rate for all other producers and exporters.

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<sup>9</sup> See Petitioners' Letter, "Countervailing Duty Investigations of Common Alloy Aluminum Sheet from Bahrain, Brazil, India, and the Republic of Turkey – Petitioners' Request to Align Final Countervailing Duty Determinations with the Companion Antidumping Duty Final Determinations," dated July 17, 2020.

### Preliminary Determination

Commerce preliminarily determines that the following estimated countervailable subsidy rates exist:

<b>Company</b>	<b>Subsidy Rate <i>Ad Valorem</i></b>
Companhia Brasileira de Alumínio (CBA) <sup>10</sup>	1.32 percent
Novelis do Brasil Ltda. (Novelis) <sup>11</sup>	0.76 percent ( <i>de minimis</i> )
All Others	1.32 percent

### Suspension of Liquidation

In accordance with section 703(d)(1)(B) and (d)(2) of the Act, Commerce will direct U.S. Customs and Border Protection (CBP) to suspend liquidation of entries of subject merchandise as described in the scope of the investigation section entered, or withdrawn from warehouse, for consumption on or after the date of publication of this notice in the *Federal Register*. Further, pursuant to 19 CFR 351.205(d), Commerce will instruct CBP to require a cash deposit equal to the rates indicated above. Because the subsidy rate for Novelis Brasil is *de minimis*, Commerce is directing CBP not to suspend liquidation of entries of the merchandise produced and exported by Novelis Brasil.

### Disclosure

Commerce intends to disclose its calculations and analysis performed to interested parties in this preliminary determination within five days of its public announcement, or if there is no

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<sup>10</sup> As discussed in the Preliminary Decision Memorandum, Commerce has found the following companies to be cross-owned with CBA: Votorantim S.A. and its holding company; Votorantim Comercializadora de Energia Ltda.; CBA Machadinho Geração de Energia Ltda.; and CBA Energia Participações S.A.

<sup>11</sup> As discussed in the Preliminary Decision Memorandum, Commerce has found the following company to be cross-owned with Novelis: Novelis Inc.

public announcement, within five days of the date of this notice in accordance with 19 CFR 351.224(b).

#### Verification

As provided in section 782(i)(1) of the Act, Commerce intends to verify the information relied upon in making its final determination.

#### Public Comment

All interested parties will have the opportunity to submit case and rebuttal briefs on the preliminary scope determination. The deadline to submit these comments will be established in the preliminary scope decision memorandum. Scope rebuttal briefs (which are limited to issues raised in the scope briefs) may be submitted no later than seven days after the deadline for the scope briefs. These deadlines apply to the AD and CVD aluminum sheet investigations, regardless of the deadlines of the preliminary determinations in the AD investigations. For all scope briefs and rebuttals thereto, parties must file identical documents simultaneously on the records of all the ongoing AD and CVD aluminum sheet investigations. No new factual information or business proprietary information may be included in either scope briefs or rebuttal scope briefs.

Case briefs or other written comments on non-scope matters may be submitted to the Assistant Secretary for Enforcement and Compliance no later than seven days after the date on which the last verification report is issued in this investigation. Rebuttal briefs, limited to issues raised in case briefs, may be submitted no later than seven days after the deadline date for case briefs.<sup>12</sup> Commerce has modified certain of its requirements for serving documents containing

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<sup>12</sup> See 19 CFR 351.309; *see also* 19 CFR 351.303 (for general filing requirements); and *Temporary Rule Modifying AD/CVD Service Requirements Due to COVID-19*, 85 FR 17006 (March 26, 2020) (*Temporary Rule*).

business proprietary information until further notice.<sup>13</sup> Pursuant to 19 CFR 351.309(c)(2) and (d)(2), parties who submit case briefs or rebuttal briefs in this investigation are encouraged to submit with each argument: (1) a statement of the issue; (2) a brief summary of the argument; and (3) a table of authorities.

Pursuant to 19 CFR 351.310(c), interested parties who wish to request a hearing, limited to issues raised in the case and rebuttal briefs, must submit a written request to the Assistant Secretary for Enforcement and Compliance, U.S. Department of Commerce within 30 days after the date of publication of this notice. Requests should contain the party's name, address, and telephone number, the number of participants, whether any participant is a foreign national, and a list of the issues to be discussed. If a request for a hearing is made, Commerce intends to hold the hearing at a time and date to be determined. Parties should confirm by telephone the date, time, and location of the hearing two days before the scheduled date.

#### International Trade Commission Notification

In accordance with section 703(f) of the Act, Commerce will notify the International Trade Commission (ITC) of its determination. If the final determination is affirmative, the ITC will determine before the later of 120 days after the date of this preliminary determination or 45 days after the final determination.

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<sup>13</sup> See *Temporary Rule*; see also *Temporary Rule Modifying AD/CVD Service Requirements Due to COVID-19; Extension of Effective Period*, 85 FR 41363 (July 10, 2020).

Notification to Interested Parties

This determination is issued and published pursuant to sections 703(f) and 777(i) of the Act and 19 CFR 351.205(c).

Dated: August 7, 2020.

**Jeffrey I. Kessler,**  
*Assistant Secretary for Enforcement and Compliance.*



## **Appendix I**

### **Scope of the Investigation**

The merchandise covered by this investigation is aluminum common alloy sheet (aluminum sheet), which is a flat-rolled aluminum product having a thickness of 6.3 mm or less, but greater than 0.2 mm, in coils or cut-to-length, regardless of width. Aluminum sheet within the scope of this investigation includes both not clad aluminum sheet, as well as multi-alloy, clad aluminum sheet. With respect to not clad aluminum sheet, aluminum sheet is manufactured from a 1XXX-, 3XXX-, or 5XXX-series alloy as designated by the Aluminum Association. With respect to multi-alloy, clad aluminum sheet, aluminum sheet is produced from a 3XXX-series core, to which cladding layers are applied to either one or both sides of the core.

Aluminum sheet may be made to ASTM specification B209-14 – but can also be made to other specifications. Regardless of specification, however, all aluminum sheet meeting the scope description is included in the scope. Subject merchandise includes aluminum sheet that has been further processed in a third country, including but not limited to annealing, tempering, painting, varnishing, trimming, cutting, punching, and/or slitting, or any other processing that would not otherwise remove the merchandise from the scope of this investigation if performed in the country of manufacture of the aluminum sheet.

Excluded from the scope of this investigation is aluminum can stock, which is suitable for use in the manufacture of aluminum beverage cans, lids of such cans, or tabs used to open such cans. Aluminum can stock is produced to gauges that range from 0.200 mm to 0.292 mm, and has an H-19, H-41, H-48, or H-391 temper. In addition, aluminum can stock has a lubricant applied to the flat surfaces of the can stock to facilitate its Start Printed Page 2159 movement through machines used in the manufacture of beverage cans. Aluminum can stock is properly classified under HTSUS subheadings 7606.12.3045 and 7606.12.3055.

Where the nominal and actual measurements vary, a product is within the scope if application of either the nominal or actual measurement would place it within the scope based on the definitions set for the above.

Aluminum sheet is currently classifiable under HTSUS subheadings 7606.11.3060, 7606.11.6000, 7606.12.3096, 7606.12.6000, 7606.91.3095, 7606.9.6095, 7606.92.3035, and 7606.92.6095. Further, merchandise that falls within the scope of this investigation may also be entered into the United States under HTSUS subheadings 7606.11.3030, 7606.12.3015, 7606.12.3025, 7606.12.3035, 7606.12.3091, 7606.91.3055, 7606.91.6055, 7606.92.3025, 7606.92.6055, 7607.11.9090. Although the HTSUS subheadings are provided for convenience and customs purposes, the written description of the scope of this investigation is dispositive.

## **Appendix II**

### **List of Topics Discussed in the Preliminary Decision Memorandum**

- I. Summary
- II. Background
- III. Scope Comments
- IV. Scope of the Investigation
- V. Subsidies Valuation
- VI. Benchmarks and Interest Rates
- VII. Use of Facts Otherwise Available and Adverse Inferences
- VIII. Analysis of Programs
- IX. Calculation of All-Others Rate
- X. Conclusion

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